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CENTRAL INTELLIGENCE AGENCY
WASHINGTON, D.C. 20505

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12 December 1974

MEMORANDUM FOR: Mr. James Reddington
Office of Management & Budget
New Executive Office Building

SUBJECT : The IEP and Project Independence--Comparison
of Embargo Import Positions in 1980

1. This memorandum is in response to your request for a comparison of IEP countries' import positions following a 1980 oil embargo under varying assumptions about U.S. import dependence.

2. Table 1 shows IEP member countries' import positions following a hypothetical 50% OAPC embargo during 1980. Two possible 1980 oil prices are considered in addition to three scenarios concerning U.S. import dependence in 1980. The first scenario is based upon the OECD estimates appearing in the 9 August 1974 OECD Long Term Energy Assessment report (ELT/CU/300). The second and third cases align the U.S. production and consumption estimates with those described as the base and accelerated supply cases, respectively, in the FEA Blueprint (page 52 of the International Section).

3. Table 2 lists the preliminary oil statistics we have used for this exercise, together with footnotes describing the sources and methods used to construct them.

4. As you are aware 1980 oil estimates are continually under revision. If you require any further estimates from our model, either with updated input data or new embargo schemes, please contact us.

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Attachment: asa

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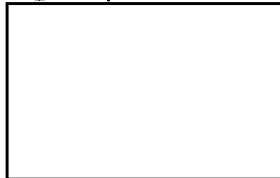


Table 1

IEP Allowed Imports During a 50% OAPEC Embargo in 1980
Under Various Assumptions of U.S. Import Dependence

	<u>OECD Estimates</u>		<u>FEA Base</u>		<u>FEA Accelerated Supply</u>	
	<u>\$6/Barrel</u>	<u>\$9/Barrel</u>	<u>\$6/Barrel</u>	<u>\$9/Barrel</u>	<u>\$6/Barrel</u>	<u>\$9/Barrel</u>
Total	21.07	13.21	19.81	15.44	18.50	14.13
Austria	.18	.14	.17	.14	.17	.15
Belgium-Luxembourg	.64	.55	.63	.55	.63	.55
Canada	-.22	-.20	-.22	-.20	-.22	-.20
Denmark	.39	.33	.38	.33	.38	.33
West Germany	2.91	2.46	2.85	2.47	2.86	2.48
Ireland	.10	.09	.10	.09	.10	.09
Italy	2.06	1.75	2.02	1.75	2.02	1.76
Japan	6.75	6.22	6.61	6.24	6.63	6.27
Netherlands	.80	.67	.78	.68	.78	.68
Spain	.72	.61	.71	.62	.71	.62
Sweden	.67	.57	.66	.57	.66	.58
Switzerland	.31	.26	.30	.27	.31	.27
Turkey	.13	.10	.13	.10	.13	.10
United Kingdom	-.27	-.24	-.27	-.24	-.27	-.24
United States	4.20	.86	4.96	2.07	3.60	.70

Table 2

1980 'Normal' Oil Estimates for IEP Member Countries

MBD

	<u>Normal Consumption¹</u>		<u>Normal Production⁴</u>	
	<u>\$6/bbl</u>	<u>\$9/bbl</u>	<u>\$6/bbl</u>	<u>\$9/bbl</u>
Austria	.268	.233	.050	.050
Belgium-Luxembourg	.772	.670	.000	.000
Canada ²	2.160	2.032	2.160	2.032
Denmark	.475	.412	.004	.004
West Germany	3.646	3.164	.130	.130
Ireland	.124	.108	.000	.000
Italy	2.494	2.164	.015	.015
Japan ²	8.190	7.708	.060	.060
Netherlands	.992	.860	.029	.029
Spain	.867	.753	.000	.000
Sweden	.808	.701	.000	.000
Switzerland	.374	.325	.000	.000
Turkey	.238	.206	.070	.070
United Kingdom	2.714	2.355	2.714 ⁵	2.355 ⁵
United States ²	19.620	17.196	13.000	14.380
FEA Base ³	19.000	16.000	11.500	12.000
FEA Accelerated Supply ³	19.000	16.000	13.000	13.500

1. Unless otherwise noted figures are OECD Europe Estimates as appearing in OECD ELT/CU/300, 9 August 1974, divided among the countries according to constant 1973 consumption shares.

2. OECD ELT/CU/300, 9 August 1974.

3. FEA Blueprint.

4. Same as 1973 production unless otherwise noted.

5. Assumed Self Sufficient--Petroleum Economist, July 1974.